

MINUTES OF THE  
MEETING OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
HELD AT THE 110 WILLIAM STREET OFFICES OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
April 9, 2019

The following directors and alternates were present, constituting a quorum:

James Patchett, Chairman  
HeeWon Brindle-Khym  
Marlene Cintron  
Brian Cook, alternate for Scott M. Stringer,  
Comptroller of The City of New York  
Khary Cuffe  
Albert De Leon  
Barry Dinerstein, alternate for Marisa Lago  
the Chair of the City Planning Commission of The City of New York  
Jacques-Philippe Piverger  
James Prendamano  
Robert Santos  
Shanel Thomas  
Betty Woo, alternate for Zachary W. Carter, Esq.,  
Corporation Counsel of The City of New York

The following directors were not present:

Andrea Feirstein

Also present were (1) members of New York City Economic Development Corporation (“NYCEDC”) staff and interns, (2) Scott Singer from Nixon Peabody LLP, (3) Arthur Cohen from Hawkins Delafield & Wood LLP, (4) Seth Bryant from Bryant Rabbino LLP, (5) Patricia Mollica from Katten Muchin Rosenman LLP and (6) other members of the public.

James Patchett, President of NYCEDC and Chairman of the New York City Industrial Development Agency (“NYCIDA” or the “Agency”), convened the meeting of the Board of Directors of NYCIDA at 9:00 a.m., at which point a quorum was present.

1. New Board Members

Mr. Patchett introduced HeeWon Brindle-Khym and James Prendamano as new members of the NYCIDA and the Build NYC Resource Corporation Board of Directors (“Build NYC”).

2. Adoption of the Minutes of the February 12, 2019 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the February 12, 2019 Board of Directors meeting. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

3. Financial Statements for February 28, 2019 (Unaudited)

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Agency’s Financial Statements for the eight-month period ending February 28, 2019 (Unaudited). Ms. Butler reported the following. For the month of February, the Agency recognized revenues in the amount of \$938,000, which came from project finance fees from five transactions. The Agency recognized revenues derived from compliance, application, post-closing, recapture and termination fees in the amount of \$1,000,000 for the eight-month period. The Agency recognized operating expenses, largely consisting of the monthly management fee, in the amount of \$2,900,000 for the eight-month period ending in February 28, 2019. Ms. Butler stated that in the category of special projects the Agency incurred \$1,600,000 in special project expenses. Ms. Butler stated that under the non-operating expense section of the P&L, the Agency has held a security interest on the statement of net position in the acquired assets of equipment at the Fresh Direct facility that is located at the Harlem River Yards. Ms. Butler stated that according to their agreement, upon completion of the related project work the Agency terminated its security interest in those acquired assets on November 27, 2018. This resulted in the recognition of \$10,450,000 in the non-operating expense on the P&L.

4. Fiscal Year 2020 Budget

Krishna Omolade, an Assistant Vice President for NYCEDC and Deputy Director of the Agency, presented for review and approval the Agency’s Fiscal Year 2020 Budget (the “Budget”). Mr. Omolade stated that the purpose of the presentation was to obtain approval by the Board of the Budget as required under the Public Authorities Accountability Act. Mr. Omolade presented figures in respect of the Agency’s actual and projected revenues and expenses and provided comparisons against previous fiscal years attached hereto as Exhibit A.

In response to a question from Mr. Patchett, Mr. Omolade stated that there is a drop in the net asset values due to the Fresh Direct transaction. Mr. Omolade stated that Agency staff anticipate that in the future the net assets will be above the threshold by which Agency staff will continue to provide assistance, or are open to providing assistance, for special programs. Mr. Omolade stated that the Board approved last year’s budget, in which the Agency was

required to maintain assets of at least four times its annual payment to NYCEDC. Mr. Omolade stated that it is projected that the Agency will stay above that threshold. In response to a question from Mr. Piverger, Mr. Omolade stated that it took time for property owners and developers to react to the City's life science initiative ("LifeSci NYC") that was approved a few years ago. Agency projects have to achieve certain policy objectives in order for Agency staff to support and, with respect to the life science projects, Agency staff work with developers to develop projects that are in line with Agency objectives for office and lab space. Eric Clement, a Senior Vice President for NYCEDC, stated that LifeSci NYC is meant to attract the City's life sciences industry. When it comes time to transact, specific questions are raised, such as: "How many jobs?", "What kind of space?", "How much space do we want?", and "How are we going to negotiate for that space?". These new initiatives sometimes take longer to execute properly and since, at the end of the day, taxpayer dollars are being spent, Agency staff want to make sure the City is getting the right return on investment. In response to a question from Mr. Cook, Mr. Omolade stated that conversations between Agency staff and developers associated with existing deals have gone well and potential deals are being spurred on by this momentum. Mr. Omolade stated that more developers and people recognize what the Agency is doing so the expectation is that LifeSci NYC will continue to grow. Mr. Clement stated that over the past five years the number of completed deals and deals in the pipeline contribute to Agency staff's projection going forward.

There being no further questions, a motion to approve the Budget attached hereto as Exhibit A, as submitted, was made, seconded and unanimously approved.

5. Board Self-Evaluation

Ms. Marcus, a Senior Project Manager for NYCEDC, presented the Board of Directors' Self-Evaluation Survey (the "Survey") attached hereto as Exhibit B, which was reviewed and approved by the Governance Committee. Ms. Marcus stated that the Survey was required under the Public Authorities Accountability Act.

Mr. Santos stated that the Governance Committee extended the deadline to complete the Survey in order to give more time for Board members to participate and achieve a 100% participation rate. Mr. Santos stated that the Governance Committee is available to discuss any issues with any Board member who has not completed the survey.

6. Best Choice Trading Corporation

Jenny Osman, a Project Manager for NYCEDC, presented for review and adoption an Industrial Incentive Program inducement and authorizing resolution for the benefit of Best Choice Trading Corporation and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse effect on the environment. Ms. Osman described the project and its benefits as set forth in Exhibit C.

In response to a question from Mr. Cook, Ms. Osman stated that in this industry the

principals have learned that prices of seafood fluctuate because it is a commodity item. The company is learning how to anticipate costs over the course of several years and their model is changing to a “cash-and-carry” model, which will create fewer overhead costs for them in terms of delivery and customer outreach. This trend will continue, thus increasing the company’s profits. The company is also beginning to diversify their product offerings and have been successful in selling products like frozen plantains and spring rolls, which are higher-profit items, so that part of their business is also growing. In response to a question from Mr. Piverger, Mr. Clement stated that wholesale businesses have slightly smaller profit margins than retail businesses. The new projected income of the retail business model outweighs the increase in operating costs, so changing the business model by shifting to a higher percentage of retail will ultimately decrease sales costs and general administrative costs on a percentage basis. In response to a question from Mr. Piverger, Ms. Osman stated that the debt service coverage ratio projected in the board materials was calculated prior to the net income increase. Ms. Osman stated that the company’s previous project with the Agency is going to remain a part of their operations, which is a successful, homegrown, Brooklyn-based business. Ms. Osman stated that the company does not typically carry any debt on any of the properties that they own. Ms. Brindle-Khym stated that she appreciates Agency staff’s transparency, both in materials provided publicly as well as in the Boardbooks. Ms. Brindle-Khym requested more information with respect to the job numbers, such as a distribution or a median number, in an effort to see how the wage levels distribute out within the equivalency. In response to a question from Ms. Brindle-Khym, Ms. Osman stated that that the executive summary shows that Agency staff offer a wage range and that everyone besides the principals is paid the same rate of \$16.85 per hour, which is consistent with New York State living wage law. Ms. Osman stated that the company does their own hiring and do not use a temp agency to fill in open positions. Mr. Omolade stated that Agency staff can look into including a median wage metric in the board materials. In the Agency’s form application, requested wages exclude principals because including principals’ salaries will skew the averages.

There being no comments or questions, a motion to approve the inducement and authorizing resolution and SEQRA determination attached hereto as Exhibit D for the benefit of Best Choice Trading Corporation was made, seconded and unanimously approved.

7. Hi-Tech Metals, Inc.

Ms. Marcus presented for review and adoption an Industrial Incentive Program authorizing resolution for the benefit of Hi-Tech Metals, Inc. Ms. Marcus described the project and its benefits as set forth in Exhibit E.

In response to a question from Mr. Cook, Ms. Marcus stated that the debt service coverage ratio is approximately 3.1 times. In response to a question from Ms. Thomas, Ms. Marcus stated that the company is not collecting rent for the space and they will not be paying rent going forward because they are buying the building.

There being no comments or questions, a motion to approve the authorizing resolution

attached hereto as Exhibit F for the benefit of Hi-Tech Metals, Inc. was made, seconded and unanimously approved.

8. Meer Enterprises LLC

Ms. Marcus presented for review and adoption an Industrial Incentive Program authorizing resolution for the benefit of Meer Enterprises LLC. Ms. Marcus described the project and its benefits as set forth in Exhibit G.

There being no comments or questions, a motion to approve the authorizing resolution attached hereto as Exhibit H for the benefit of Meer Enterprises LLC was made, seconded and unanimously approved.

9. The Brooklyn Union Gas Company d/b/a National Grid NY

Carly Creed, a Senior Project Manager for NYCEDC, presented for review and adoption a post-closing resolution to approve amendments to the project documents necessary to extend the project completion date and amend the expiration date of the lease agreement for the benefit of The Brooklyn Union Gas Company d/b/a National Grid NY. Ms. Creed described the project and its benefits as set forth in Exhibit I.

In response to a question from Mr. Cuffe, Mr. Patchett stated that the company would be in default unless the Board extended the project completion date. The company is struggling to get approvals from the relevant City agencies so Agency staff believe it is reasonable to extend the completion date. If the company needed another extension then it would be reasonable to ask whether it was appropriate because the worst that could happen is the amount of PILOT benefit being reduced for failure to hit the initial target. Mr. Patchett stated that at some point it becomes reasonable to have the company bear the financial penalty to complete the project on time. If they need to extend the completion date after today, Agency staff may not be as supportive.

There being no comments or questions, a motion to approve the post-closing resolution attached hereto as Exhibit J for the benefit of The Brooklyn Union Gas Company d/b/a National Grid NY was made, seconded and unanimously approved.

10. Tiago Holdings, LLC

Desiree Valdes, an Assistant Vice President for NYCEDC, presented for review and adoption a post-closing resolution to approve amendments to the project documents necessary to allow for the delivery of a substitute letter of credit for the benefit of Tiago Holdings, LLC. Ms. Valdes described the project and its benefits as set forth in Exhibit K.

There being no comments or questions, a motion to approve the post-closing resolution attached hereto as Exhibit L for the benefit of Tiago Holdings, LLC was made, seconded and

unanimously approved.

11. Workforce1 Industrial and Transportation Career Center Satellites

Lucinda Glover, an employee for the City's Department of Small Business Services ("SBS"), presented for review and adoption an amendment to the service contract between the Agency and Workforce Development Corporation ("WDC") to update the payment schedule to account for the carryover of funds from the initial term to FY 2019 of the extended term. Ms. Glover described the project and its benefits, as reflected in Exhibit M.

In response to a question from Mr. Cook, Ms. Glover stated that SBS will provide a program update after the board meeting in order to talk more about the numbers and how the centers are doing a fantastic job in terms of serving the City and accomplishing its objectives. In response to a question from Mr. Cook, Ms. Glover stated that the \$800,000 is not an increase of funds but will be rolled over into FY 2019 so that Agency staff can fully expend the amount of funding that the board approved in order to achieve the original project goals. In response to a question from Ms. Cintron, Ms. Glover stated that there are centers located in the Bronx at Port Morris, Queens in Long Island City, Brooklyn at the Brooklyn Army Terminal and Staten Island on the North Shore. In response to a question from Ms. Cintron, Tim Currier, an employee for SBS, stated that the programs serve over 1,500 people and over 300 businesses, and approximately 240 people are hired at each location annually. In response to a question from Ms. Thomas, Mr. Currier stated that there are 14 full time employees working across four WDC centers. Mr. Currier stated that WDC's vendors are consolidating efforts around some of the supportive services and are operational because they modeled themselves around the success of the Jamaica Center where they are able to leverage management, oversight, operational and quality assurance, as well as some administrative support, which will be reduced going into FY 2020. In response to a question from Ms. Thomas, Mr. Currier stated that the personnel cost represents all full-time employee wages through WDC's vendors that SBS has subcontracted with. In response to a question from Ms. Thomas, Mr. Currier stated that approximately 20% of individuals who come through the WDC system get connected to employment from community-based organizations and partners throughout all five boroughs as well. Mr. Currier stated that this is one indication of how WDC employees work with local organizations to reach individuals. On the business side of things, one of the subcontractors worked with Southwest Brooklyn Industrial Development Corporation, which also acts as the industrial business service provider, so WDC staff leverage SBS connections to ensure that all of the businesses in the area are contacted. In response to a question from Ms. Thomas, Mr. Omolade stated that Agency staff is requesting that the Board approve an amendment to the existing deal so there is no additional money or procurement but rather the money will be moved from the original contract to cover the next three fiscal years. Mr. Omolade stated that the Agency is entering into a sole-source contract with the WDC, pursuant to which the WDC is in charge of procuring the subcontractors who will manage these different satellites. Mr. Patchett stated that the Agency provides funding to SBS, which operates the centers, and that the reason the Agency is historically involved in these projects is because these are particularly industrial-focused workforce centers that were part of the industrial plan. Ms. Cintron stated that the Bronx has

the highest unemployment rate in the country, which has been reduced by more than 70% over the past nine years compared to the rest of the City. As the technology of retail continues to change, there is a need for the City and WDC centers to be able to adapt so that they are providing City residents with sustainable jobs. Commercial driver's licensed ("CDL") truck drivers are a big deal and are paid a good living wage. She is concerned that, while this project is extremely well intended, Board members do not get enough information about these programs. Ms. Cintron stated that she supports using tax dollars in order to create jobs but she would like WDC to be more transparent. Ms. Glover stated that WDC employees provide a number of CDL training courses for people so it is an area of need that WDC employees recognize. Mr. Patchett stated that there will be a presentation after the Board meeting that will provide detailed updates on all of the programs that are funded by Agency funds but are not Agency projects. Mr. Patchett stated that this will be a good opportunity to ask any outstanding questions and that Agency staff can provide these updates on a regular basis in whatever format people think is most helpful. Mr. Clement stated that at a board meeting last year Agency staff had a similar conversation with Board members with respect to projects that are funded out of the Agency and Build NYC. Mr. Clement stated that Agency staff are committed to making annual presentations on how each of these projects are performing with specific metrics so hopefully a lot of questions from Board members will be answered and addresses any concerns of Board members.

There being no further comments or questions, a motion to approve the Workforce1 Industrial and Transportation Career Center Satellites amendment attached hereto as Exhibit M was made, seconded and unanimously approved.

12. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 10:03 a.m.



Assistant Secretary

Dated: 6/11/19  
New York, New York

**Exhibit A**

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
FISCAL YEAR 2020 BUDGET**

	<b>FY 2018 Actual</b>	<b>FY 2019 Budget</b>	<b>FY 2019 Projected Year-End Actual</b>	<b>FY 2020 Budget</b>	<b>FY 2021 Budget</b>	<b>FY 2022 Budget</b>	<b>FY 2023 Budget</b>
<b>REVENUES</b>							
Financing Fees*	2,982,100	3,155,311	1,297,577	2,816,210	3,525,126	3,876,914	4,500,610
Application Fees	90,000	142,630	90,000	117,000	135,000	135,000	140,000
Compliance Fees	841,164	847,387	797,244	877,703	895,257	913,163	931,426
Post-Closing Fees	102,500	108,150	95,000	119,862	121,060	122,271	123,494
Investment Income	369,898	220,929	496,066	218,385	193,255	175,650	179,645
Other Income	619,375	300,000	73,039	300,000	300,000	300,000	300,000
<b>TOTAL REVENUES</b>	<b>5,005,037</b>	<b>4,774,407</b>	<b>2,848,926</b>	<b>4,449,160</b>	<b>5,169,699</b>	<b>5,522,997</b>	<b>6,175,174</b>
<b>EXPENSES</b>							
Contract Fee	3,300,000	4,356,000	4,400,000	4,400,000	4,400,000	4,400,000	4,400,000
Audit and Accounting Fees	64,350	79,676	79,676	79,676	79,676	79,676	82,066
Outreach / Marketing	3,467	25,000	4,322	25,000	25,000	25,000	25,000
Public Notice Fees	28,887	34,327	14,104	33,526	43,368	44,249	48,464
Miscellaneous Expenses	59,349	47,120	8,815	65,377	65,377	65,377	65,377
<b>TOTAL EXPENSES</b>	<b>3,456,053</b>	<b>4,542,123</b>	<b>4,506,917</b>	<b>4,603,579</b>	<b>4,613,421</b>	<b>4,614,302</b>	<b>4,620,908</b>
<b>OPERATING EXCESS/(DEFICIT) FROM IDA OPERATIONS</b>	<b>1,548,984</b>	<b>232,285</b>	<b>(1,657,991)</b>	<b>(154,419)</b>	<b>556,278</b>	<b>908,694</b>	<b>1,554,266</b>
<b>Contract Purchases</b>							
Contract Expenses/Special Projects**	3,171,378	2,968,440	2,876,160	2,416,291	2,357,313	500,000	500,000
<b>NET OPERATING EXCESS/(DEFICIT)</b>	<b>(1,622,394)</b>	<b>(2,736,156)</b>	<b>(4,534,151)</b>	<b>(2,570,710)</b>	<b>(1,801,035)</b>	<b>408,694</b>	<b>1,054,266</b>
<b>NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY NET ASSETS</b>							
Unrestricted Net Assets (Beginning)	38,730,526	36,512,463	37,108,132	22,123,981	19,553,271	17,752,235	18,160,930
Operating Excess/(Deficit)	(1,622,394)	(2,736,156)	(4,534,151)	(2,570,710)	(1,801,035)	408,694	1,054,266
Asset Increase	-	-	-	-	-	-	-
Asset Decrease	-	(10,450,000)	(10,450,000)	-	-	-	-
<b>UNRESTRICTED NET ASSETS (ENDING)</b>	<b>37,108,132</b>	<b>23,326,307</b>	<b>22,123,981</b>	<b>19,553,271</b>	<b>17,752,235</b>	<b>18,160,930</b>	<b>19,215,196</b>

\* FY19 projected year-end financing fees are based on 9 transactions. FY20 financing fees are based on 12 transactions.

\*\* Pursuant to various Board approved agreements between the Agency and NYCEDC, the Agency is committed to fund various projects being performed by NYCEDC related to the City's economic and industrial development projects and initiatives.

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS**  
(Office of the State Comptroller's Submission Format)

	<b>Last Year (Actual) 2018</b>	<b>Current Year (Estimated) 2019</b>	<b>Next Year (Adopted)* 2020</b>	<b>Proposed 2021</b>	<b>Proposed 2022</b>	<b>Proposed 2023</b>
<b><u>REVENUE &amp; FINANCIAL SOURCES</u></b>						
<b>Operating Revenues</b>						
Charges for services	4,015,764	2,279,821	3,930,775	4,676,444	5,047,347	5,695,529
Other operating revenues	619,375	73,039	300,000	300,000	300,000	300,000
<b>Nonoperating Revenues</b>						
Investment earnings	369,898	496,066	218,385	193,255	175,650	179,645
<b>Total Revenues &amp; Financing Sources</b>	<b>5,005,037</b>	<b>2,848,926</b>	<b>4,449,160</b>	<b>5,169,699</b>	<b>5,522,997</b>	<b>6,175,174</b>
<b><u>EXPENDITURES</u></b>						
<b>Operating Expenditures</b>						
Professional services contracts	6,627,431	7,383,077	7,019,870	6,970,734	5,114,302	5,120,908
<b>Total Expenditures</b>	<b>6,627,431</b>	<b>7,383,077</b>	<b>7,019,870</b>	<b>6,970,734</b>	<b>5,114,302</b>	<b>5,120,908</b>
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>(1,622,394)</b>	<b>(4,534,151)</b>	<b>(2,570,710)</b>	<b>(1,801,035)</b>	<b>408,694</b>	<b>1,054,266</b>

\* The FY2020 budget will be presented to the Board of Directors on April 9, 2019.

**Exhibit B**

## **Board Self-Evaluation (NYCIDA)**

1. Board members have a shared understanding of the mission and purpose of NYCIDA.
2. The policies, practices and decisions of the Board are always consistent with this mission.
3. Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.
4. The Board has adopted policies, by-laws and practices for the effective governance, management and operations of NYCIDA and reviews these annually.
5. The Board sets clear and measurable performance goals for NYCIDA that contribute to accomplishing its mission.
6. The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.
7. Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.
8. Board members are knowledgeable about NYCIDA's programs, financial statements, reporting requirements, and other transactions.
9. The Board knows the statutory obligations of NYCIDA and if NYCIDA is in compliance with state law.
10. Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.
11. Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.
12. Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.
13. The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.
14. The Board has identified the areas of most risk to NYCIDA and works with management to implement risk mitigation strategies before problems occur.

**Exhibit C**

## Project Summary

Best Choice Trading Corporation, a New York corporation that is a wholesale distributor of frozen fish and seafood (the "Company"), and Gian Bountiful LLC, its affiliated real estate holding company, seek financial assistance in connection with the acquisition, renovation, construction and equipping of an approximately 8,844 square foot facility (the "Project") located on an approximately 8,900 square foot parcel of land (the "Facility"). The Facility will be owned by Gian Bountiful LLC and operated by the Company as a storage and distribution facility for frozen fish and seafood. Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within two years of the closing date.

### Current Location

146-150 Stewart Avenue  
Brooklyn, NY 11237

### Project Location

501 Scholes Street  
Brooklyn, NY 11237

## Actions Requested

- Inducement and Authorizing Resolution for an Industrial Program transaction.
- Adopt a negative declaration for this project. The proposed project will not have a significant adverse effect on the environment.

## Anticipated Closing

May 2019

## Impact Summary

Employment	
Jobs at Application:	10.5 FTE
Jobs to be Created at Project Location (Year 3):	6.5 FTE
<b>Total Jobs (full-time equivalents)</b>	<b>17 FTE</b>
<b>Projected Hourly Wage (excluding principals)</b>	<b>\$16.85</b>

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$2,532,504
One-Time Impact of Renovation	91,138
<b>Total impact of operations and renovation</b>	<b>\$2,623,642</b>
<b>Additional benefit from jobs to be created</b>	<b>\$357,411</b>

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	\$1,251,907
Land Tax Abatement (NPV, 25 years)	\$249,140
MRT Benefit	\$56,115
Sales Tax Exemption	\$48,600
Agency Financing Fee	(\$28,000)
<b>Total Value of Benefits provided by Agency</b>	<b>\$1,577,762</b>
Available As-of-Right Benefits (ICAP)	\$770,702
Agency Benefits In Excess of As-of-Right Benefits	\$807,060

## **Best Choice Trading Corporation**

<b>Costs of Benefits Per Job</b>	
Estimated Total Cost of Benefits per Job	\$47,474
Estimated City Tax Revenue per Job	\$175,356

<b>Estimated Cost of Benefits Requested: New York State</b>	
MRT Benefit	\$30,216
Sales Tax Exemption	\$47,250
<b>Total Cost to NYS</b>	<b>\$77,466</b>

## **Sources and Uses**

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$3,453,200	57%
Equity	\$2,563,300	43%
<b>Total</b>	<b>\$6,016,500</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land Costs	\$4,316,500	71%
Hard Costs	\$1,400,000	23%
Soft Costs	\$100,000	2%
Furnishings and Equipment	\$100,000	2%
Closing Fees	\$100,000	2%
<b>Total</b>	<b>\$6,016,500</b>	<b>100%</b>

## **Fees**

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$28,000	
Project Counsel	\$25,000	
Annual Agency Fee	\$1,000	\$12,485
Total	\$54,000	\$12,485
<b>Total Fees</b>	<b>\$66,485</b>	

## **Financing and Benefits Summary**

The Company will finance the Project with a loan of \$3,453,200 borrowed from JPMorgan Chase Bank, N.A. by the Company's affiliate, Gian Bountiful LLC, and \$2,563,300 in Company equity. It is expected that the loan will be secured by a mortgage on the Facility. It is expected that the loan will have a 10 year term (amortized based on a twenty year amortization schedule), will bear interest at either 5% for ten years, 4.95% for five years with a rate reset in year 5 equal to the Five Year Treasury Note Rate plus 2.47% for the remaining five years, or a monthly variable rate based on one month LIBOR plus 2.512% during the ten year term, and will be further secured and guaranteed by the Company, Lee Fong and Lynn Gian Fong. The financial assistance proposed to be conferred by the Agency will consist of a land and building tax abatement for a period of 25 years, a mortgage recording tax abatement and exemption from City and State sales and use taxes. The debt service coverage ratio, based on Company revenue is anticipated to be 1.41x.

## **Best Choice Trading Corporation**

### **Company Performance and Projections**

The Company has grown and expanded year over year since its founding in 1991. The business model has evolved from wholesale distribution to include “direct sell” and “cash and carry” sales. In 28 years of operation, the Company has expanded three times and is about to embark on its fourth expansion. The new project will allow the Company to cater to a more diverse customer base and carry a broader array of products. The Company projects net income to increase 104% within one year of project completion while also projecting a decrease in cost of goods.

### **Inducement**

- I. Without the proposed financial assistance provided by the Agency, the Company would not be able to maintain its quickly growing business operations in New York City.
- II. In order to meet growing demand the Company must expand its facilities, capacity and diversity of offerings but without the proposed financial incentives, the company would not be able to expand and remain competitive in New York City.
- III. But for the assistance provided by the Agency, the Project would not occur, or would occur out of state.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency’s Uniform Tax Exemption Policy (“UTEP”), including the following:

- I. The Project will create or retain permanent private-sector jobs in New York City.
- II. Financial assistance is required to induce the Project.
- III. The Project will generate approximately \$6,016,500 in private-sector investment.
- IV. The Project is likely to be completed in a timely manner.

### **Applicant Summary**

The Company is a family-operated wholesale distributor of frozen fish and seafood in East Williamsburg. The Company was originally founded in the basement of a family member’s restaurant in 1991. Not long after, the growing business operations pushed the Company to relocate to a 4,000 square foot building. By 1998 the Company had again outgrown its location and the owners acquired a 19,000 square foot facility in East Williamsburg Brooklyn at 146 Stewart Avenue. Just 10 years later, the Company applied for and received Agency benefits in relation to the acquisition, renovation, and fit out of a building at 150 Stewart Avenue. With the help financial assistance from the NYCIDA, the Company was able to expand their operations into an even more efficient “Direct Sell Model” to their customers. While the Company has historically primarily sold frozen shrimp, its products are diversifying to include frozen spring rolls and frozen plantain to appeal to a broader customer base.

### **Lee Fung Fong, CEO and Founder**

Lee Fung Fong, the 100% sole owner of the Company, immigrated to the United States in 1983 at the age of 17. Mr. Lee lived in Chinatown and worked odd jobs at his brother’s restaurant during his high school years. After graduating high school, Mr. Lee attended SUNY Albany where he majored in Business and continued to work at his brother’s restaurant whenever he could. When Mr. Lee graduated from college in 1990, he decided to start his own wholesale frozen seafood distribution business. The Company has been in operation ever since.

### **Employee Benefits**

Benefits include on-the-job training, paid personal time and complimentary breakfast and lunch served to all employees of the Company every day.

### **Recapture**

Pursuant to UTEP, all benefits subject to recapture for a 10-year period.

## **Best Choice Trading Corporation**

### **SEQRA Determination**

No significant adverse environmental impacts, staff recommends the Board adopt a Negative Declaration for this project. The completed Environmental Assessment Form for this project has been reviewed and signed by Agency staff.

### **Due Diligence**

The Agency conducted a background investigation of the Company and its principals and found no derogatory information.

<b>Compliance Check:</b>	Satisfactory
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Health Insurance Offered:</b>	Exempt
<b>Bank Account:</b>	Cathay Bank
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Relationships are reported to be satisfactory.
<b>Unions:</b>	Not applicable.
<b>Vendex Check:</b>	No derogatory information was found.
<b>Attorney:</b>	Edmond Fong Fong & Wong PC 254 Canal Street Suite 2002 New York, NY 10013
<b>Accountant:</b>	Joseph M. Noll Joseph M. Noll CPA 163-23 85 <sup>th</sup> Street Howard Beach, NY 11414
<b>Consultant/Advisor:</b>	Valcia Miceli Val Funding Inc 16 Clay Street New City, NY 10956
<b>Community Board:</b>	Brooklyn, CB #1

*Best Choice Trading Corp.*

Seafood Wholesaler

146 Stewart Ave., Brooklyn, N.Y. 11237  
Tel: 718-366-2999 Fax: 718-366-5155

Ms. Jenny Osman  
Project Manager NYCIDA  
Strategic Investment Group  
NYC Economic Development Corporation  
110 William Street  
New York, New York 10038

February 11, 2019

Dear Ms. Osman,

Best Choice Trading Corporation is a wholesaler of frozen fish and seafood since 1991 when it was incorporated and is owned 100% by Mr. Lee Fung Fong.

I, Lee Fung Fong, born in China and came to the United States with my family in 1983 when I was seventeen and resided in Chinatown where most of my family had relocated to several years before. While attending high school I worked at my brother's restaurant doing odd jobs. After graduating high school, I attend Albany University majoring in Business where I met my wife Lynn Gian. In whatever spare time, I had from college I worked in the restaurant and learned what went on behind the scenes. Through on the job training I became fully aware that the process starts with an importer who then sells it to a wholesaler who then in turn sells it to the industry users. Upon graduating college in 1990 I decided I would start my own wholesale distributor business of frozen seafood. With the assistance of my brother, who owned a building which his restaurant was located, allowed me to use the small freezer in the basement and a room on the top floor as my office. This was the jump start for Best Choice Trading because it eliminated any overhead cost and I could invest any dollars in marketing the company.

In a short amount of time I found that this location was too small and relocated to a 4,000-square foot building at 12-18 Woolworth Street where a company was going out of business and the building had all the refrigeration and freezers that I needed therefore I did not have to invest in any equipment or capital improvements. This space served me well but it could not handle my growing operation. To grow I needed larger space I located a 19,000-square foot facility in East Williamsburg Brooklyn at 146 Stewart Ave. which I purchased in 1998. Our growth momentum continued and we were running out of space to store the frozen products. With the lack of freezer storage space in New York City I was forced to rent space at public storage facilities located in New Jersey in Perth Amboy and Jersey City. Here the product that we purchase is shipped to these public storage facilities and Best Choice has to go to New

## *Best Choice Trading Corp.*

Seafood Wholesaler

146 Stewart Ave., Brooklyn, N.Y. 11237  
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Jersey to pick the product up and deliver it to our facility in Brooklyn and we pick and pack the products and deliver to our customers in the tristate area.

However, the company came to a point where it was restricted in planning for growth due to the limitation of our current space at that time. In my search to control my fixed overhead and locate a suitable facility I became fully aware of various tax, financing and other incentives being offered by other states where the operating cost of doing business is much less. Nevertheless, we wanted to keep our business in New York City and we were prepared to pay a premium price for a building because of my assessment of the advantages which the City of New York offers.

At the moment, I felt I would have no choice but to move out of New York the property at 150 Stewart Ave adjacent to our present building came up for sale. This was ideal for the company because it would allow us to expand our present facility by 8,940 square feet adding freezer space and renovating and reorganizing the current facility for the purpose of maximizing the physical capabilities and the economic potential of same. It would enable us to carry forward with our future plans of expanding the operation as an importer of product where the company would deal directly with the manufacturer and by pass the middleman and pass the savings on to our clients. In 2008 through the assistance of the New York Industrial Development Agency we were able to purchase the property and renovate our existing property which allowed us to expand our scope of our product lines to additional frozen sea foods, vastly improve our efficiency and expanded our operation as planned to a "Direct Sell Model" to our customers with no middlemen and pass that savings onto our clients.

However, we are faced with a serious dilemma once again even with a combined space of Approximately 27,940 square feet we are at a point where we have to turn away customers who want us to commit to more products but due to the lack of adequate freezer space we cannot accommodate the additional volume. I have performed an exhaustive review of expansion possibilities to locate a facility that will accommodate our existing customers and reach new ones. There is a shortage of adequately sized properties with freezer space within New York City. In order to continue our growth, we would have to increase our use of a third-party freezer and refrigeration space outside of New York City, such as Preferred Storage in New Jersey. This choice would be extremely uneconomical. We have reviewed alternative sites in New Jersey where as we had done 10 years ago and the costs are still significantly lower and there are available various tax, financing and other incentives available. However, I prefer to keep my company here in New York City where I began.

In order to avoid relocating our operation out of New York City I have identified a site in Brooklyn a half a block away from our present location which is ideal for our operation. Here I can maintain my present location and expand my freezer capabilities. I am seeking to acquire this industrial warehouse with the total square footage of 8,844 square feet located at 501

***Best Choice Trading Corp.***

Seafood Wholesaler

146 Stewart Ave., Brooklyn, N.Y. 11237  
Tel: 718-366-2999 Fax: 718-366-5155

Scholes Street, Brooklyn which we are looking to renovate by raising the roof to accommodate the construction of a state of the art freezer for the expansion of frozen seafood distribution. This acquisition and renovation will allow us to remain in New York, sustain our growth and will allow us to expand our market to Korean, Mexican and Indian customers and remain competitive with such companies as Royal Huan Seafood in Edison New Jersey, J & M Daughter Inc. in Brooklyn and Fairwell Seafood, Inc. in Queens.

Notwithstanding the desirability of this site for our purposes, it must be stated that Best Choice Trading Corporation purchase and renovation of this facility is only possible if NYCIDA sponsored benefits are made available. Without the incentives, Best Choice Trading Corporation could not move forward with this project and have a presence in New York City. Unfortunately, the upfront capital cost and associated increase in tax liabilities would greatly diminish our ability to remain competitive and grow. The cost of doing business in New York City is one of the highest in the country. Our continued presence and expansion in New York City is contingent on these incentives. The benefits from NYCIDA will allow the company to dedicate necessary resources to hiring additional employees and we will be able to control our increasing operating cost.

The City of New York will receive Important benefits from a successful completion of this project. Our operation will maintain our current employee base and add additional employees. We plan to work with NY Hire for those newly created positions. Furthermore, New York City will benefit from the Company's tax revenue, revenues generated from the economic activity of the company as the business tax, sales tax from purchases and employee income tax.

In summary, the project would improve the efficiency of our operation, create additional space for new growth, hiring of new employees and retain the company's industrial operations in New York City. I am firmly committed to the success of this project and the continued growth of Best Choice Trading Corporation's operations in the City of New York.

Sincerely,

  
Best Choice Trading Corporation

Lee Fung Fong

President

2/13/2019

**Exhibit D**

Resolution inducing the financing of an industrial facility for Best Choice Trading Corporation, together with its affiliate, Gian Bountiful LLC, as a Straight-Lease Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, civic, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, Best Choice Trading Corporation (the “Company”), and its affiliate, Gian Bountiful LLC (“Gian Bountiful” and with the Company, collectively, the “Applicant”) have entered into negotiations with officials of the Agency for the acquisition, renovation, construction and equipping of an approximately 8,844 square foot facility on an approximately 8,900 square foot parcel of land located at 501 Scholes Street, Brooklyn, New York, 11237 (the “Facility”), all for the use by the Applicant in its operations as a distributor and wholesaler of frozen fish and seafood, for lease to the Agency by the Applicant sublease by the Agency to the Applicant for subsequent sub-sublease in whole to the Applicant, and having an approximate total project cost of approximately \$6,016,500 (the “Project”); and

WHEREAS, the Applicant has submitted a Project Application (the “Application”) to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is currently located in Brooklyn, New York, and employs approximately 10.5 full time equivalent employees within The City of New York (the “City”); that the Project will allow the Applicant to grow and expand sales; that the Applicant has investigated alternative facilities located in New Jersey but would prefer to remain within the City; that the Applicant expects to employ approximately 6.5 additional full time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain and expand its operations in the City; and

WHEREAS, the Agency held a public hearing with respect to the Project on April 4, 2019; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between

the Agency and the Applicant and the Company are necessary to induce the Applicant to remain and expand its operations in the City; and

WHEREAS, in order to finance a portion of the costs of the Project, (i) JPMorgan Chase Bank, N.A. (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the “Lender”) has agreed to enter into a loan arrangement with Gian Bountiful pursuant to which the Lender will lend approximately \$3,453,200 to Gian Bountiful, and the Agency and Gian Bountiful will grant a mortgage on the Facility to the Lender (the “Mortgage”); and

WHEREAS, in order to provide financial assistance to the Applicant and the Company for the Project, the Agency intends to grant the Applicant and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and mortgage recording tax deferrals all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant and the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant and the Company to proceed with the Project. The Agency further determines that

(a) the Project shall not result in the removal of any facility or plant of the Applicant or the Company or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or the Company or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicant and the Company to proceed with the Project as herein authorized. The Applicant and the Company are authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant and the Company that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant and the Company are hereby constituted the agents for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant or the Company for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from the Company leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Company (the "Lease Agreement") (for sub-sublease to the Applicant), a Sales Tax Letter from the Agency to the Company and the Applicant, the Mortgage, and the acceptance of a Guaranty Agreement from the Company and the Applicant, the Applicant's and the Company's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

1. the Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. There are public transportation services close to the new facility, as well as pedestrian and bicycle routes.
2. the Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources of the existing neighborhood.
3. the Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality.

4. the Project would not result in a change in existing zoning or land use. The proposed use would be as-of-right under zoning.
5. the proposed renovation would not require any subsurface disturbance and is not expected to result in any adverse impacts related to hazardous materials.
6. no other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 11. In connection with the Project, each of the Applicant and the Company covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant and the Company each acknowledge and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant and/or the Company New York State sales or use tax savings taken or purported to be taken by the Applicant or the Company, and any agent or any other person or entity acting on behalf of the Applicant or the Company, to which the Applicant or the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant or the Company, or any agent or any other person or entity acting on behalf of the Applicant or the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, the Company and/or any agent or any other person or entity acting on behalf of the Applicant or the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and/or the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant and/or the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(2) The Applicant and the Company are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or the Company or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, the Company, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the

Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from Applicant or the Company or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant and the Company real property tax abatements, sales and use tax exemptions in an amount not to exceed \$95,850, and mortgage recording tax deferrals.

Section 13. This Resolution shall take effect immediately

ADOPTED: April 9, 2019

Accepted: \_\_\_\_\_, 201\_

**BEST CHOICE TRADING CORPORATION**

By: \_\_\_\_\_

Name:

Title:

**GIAN BOUNTIFUL LLC**

By: \_\_\_\_\_

Name:

Title:

**Exhibit E**

### Project Summary

Hi-Tech Metals, Inc., a New York corporation that specializes in steel and architectural metal fabrication for custom metalwork projects throughout the tristate area (the "Company"), together with Hi-Tech 5920 LLC, an affiliated real estate holding company, seek financial assistance in connection with the acquisition, renovation, furnishing and equipping of an existing approximately 36,400 square foot building located on an approximately 37,000 square foot parcel of land located in Maspeth (the "Facility"). The Facility will be owned by Hi-Tech 5920 LLC and operated by the Company as a steel and architectural metal fabrication production center (the "Project"). The total Project cost is approximately \$7,166,000.

### Project Location

59-20 56<sup>th</sup> Avenue  
Maspeth, New York 11378

### Actions Requested

- Authorizing Resolution for an Industrial Program transaction.

### Prior Action

- Inducement Resolution approved on April 10, 2018.
- Approval of deviation from UTEP.
- Adoption of a negative declaration for this project. The proposed project will not have a significant adverse effect on the environment.

### Anticipated Closing

Spring 2019

### Impact Summary

<b>Employment</b>	
Jobs at Application:	114
Jobs to be Created at Project Location (Year 3)	10
<b>Total Jobs (full-time equivalents)</b>	<b>124</b>
<b>Project Average Hourly Wage (excluding principals)</b>	<b>\$31.65</b>
<b>Highest Wage/Lowest Wage</b>	<b>\$42.86/\$15.00</b>

<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV 25 years at 6.25%)	\$18,795,609
One-Time Impact of Renovation	\$14,863
<b>Total impact of operations and renovation</b>	<b>\$18,810,472</b>
<b>Additional benefit from jobs to be created</b>	<b>\$492,936</b>

<b>Estimated Cost of Benefits Requested: New York City</b>	
Building Tax Exemption (NPV, 25 years)	\$2,732,422
Land Tax Abatement (NPV, 15 years)	\$306,918
MRT Benefit	\$52,488
Sales Tax Exemption	\$7,875
Agency Financing Fee	(\$85,275)
<b>Total Value of Benefits provided by Agency</b>	<b>\$3,014,428</b>
Available As-of-Right Benefits (ICAP)	\$0

## Hi-Tech Metals, Inc.

Agency Benefits In Excess of As-of-Right Benefits	\$3,014,428
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<b>Costs of Benefits Per Job</b>	
Estimated Total Cost of Benefits per Job	\$24,310
Estimated City Tax Revenue per Job	\$155,673

<b>Estimated Cost of Benefits Requested: New York State</b>	
MRT Benefit	\$28,263
Sales Tax Exemption	\$7,656
<b>Total Cost to NYS</b>	<b>\$35,919</b>

## Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$3,602,275	50%
New York Business Development Corporation	\$2,481,820	35%
Equity	\$1,081,905	15%
<b>Total</b>	<b>\$7,166,000</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	\$6,300,000	88%
Fixed Tenant Improvements	\$250,000	3%
Furnishings & Equipment	\$500,000	7%
Fees	\$116,000	2%
<b>Total</b>	<b>\$7,166,000</b>	<b>100%</b>

## Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$85,275	
Project Counsel	\$25,000	
Annual Agency Fee	\$1,000	\$12,485
Total	\$111,275	\$12,485
<b>Total Fees</b>	<b>\$123,760</b>	

## Financing and Benefits Summary

The Company will finance the Project with a commercial mortgage loan of approximately \$3,102,275 from TD Bank, N.A., an equipment financing loan of approximately \$500,000 from TD Bank, N.A. and a New York Business Development Corporation bridge mortgage loan of approximately \$2,481,820 (to be refinanced with a similar loan by the U.S. Small Business Administration). The commercial mortgage loan from TD Bank, N.A. will have a 20-year term with a 25-year amortization and will bear interest at a rate equal to 2.22% above the 10-Year Treasury Index (indicative rate of 5% as of March 10, 2019). It will be secured by a first mortgage lien on the Facility and by first assignment of leases and rents generated by the Facility. The financial assistance proposed to be conferred by the Agency will consist of exemption of City and State mortgage recording taxes, exemption from City and State sales and use taxes and payments in lieu of City real property taxes. The Project will receive an adjusted property tax

## **Hi-Tech Metals, Inc.**

benefits schedule that will consist of building tax stabilization for 25 years and a full land tax abatement for the first 10 years (with an additional 5-year phase-out period). This modified benefits package was offered to the Company based on the scope and scale of proposed improvements to the project land.

### **Company Performance and Projections**

The Company was founded in 1991 and has experienced steady growth since this time. As a result, the Company has relocated many times into larger rental facilities within Maspeth that can accommodate additional employees and the larger scale machinery required for increased custom metalwork production. In 2002, the Company relocated their entire operation into a 21,000 square foot facility, and in 2012 they also began leasing the adjacent property, both of which they continue to lease today and the latter of which is the Project site. Since 2002, Company employment has grown from 10 employees to 114.

### **Applicant Summary**

The Company was founded in Maspeth by three long-time friends, Manny Velis, Chris Doulou and Guiliano Valentino. The Company operates as a steel and architectural metals fabricator, producing aluminum, stainless steel, copper and bronze for custom architectural metalwork projects that include building entrances, stairways, mezzanines, railings, storefront, unique partitions, lighting covers and any other custom-made required metalwork. The Company services customers across the tristate area and their metalwork products can be found in a variety of buildings, including sports arenas, hospitals, offices, malls, subway stations and airports.

#### **Guiliano Valentino, Founder and Secretary**

As a founding member, Mr. Valentino has been integrally involved with every aspect of Company growth and development. Besides working in production and strategic planning, he handles all financial and administrative duties. He holds a Bachelor of Arts from St. John's University.

### **Deviation from UTEP**

A deviation from UTEP was granted for this project on April 10, 2018. Under the UTEP, projects seeking Agency benefits are required to make investments of at least \$1 million specific to project land improvements. A deviation from UTEP was required because although the Company is making investments totaling \$750,000 in project improvements, it does not meet the minimum threshold of \$1,000,000 in project improvements. The Agency felt that a deviation from the UTEP was justified because the Project will help retain a longstanding industrial manufacturer, as well as the 114 good-paying jobs that it provides, within Maspeth, Queens. The Project represents a significant commitment by the Company to continue operating within the City, whereas many of its direct local competitors have already relocated from the City to elsewhere within the tristate region to reduce real estate costs. With Agency assistance, the Company will be able to acquire the Facility without being significantly financially burdened, and as a result will make building improvements and large-scale machinery purchases.

### **Employee Benefits**

The Company provides healthcare, on-the-job training, access to an employee fitness center and employer contributions for retirement plans.

### **Recapture**

Pursuant to UTEP, all benefits are subject to recapture for a 10-year period.

### **Due Diligence**

The Agency conducted a background investigation of the Company and found no derogatory information.

**Hi-Tech Metals, Inc.**

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	Compliant
<b>Bank Account:</b>	TD Bank
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Relationships are reported to be satisfactory.
<b>Vendex Check:</b>	No derogatory information was found.
<b>Union Check:</b>	Not Applicable
<b>Accountant:</b>	Scott Hagaman Leaf Saltzman 450 7 <sup>th</sup> Avenue New York, New York 10123
<b>Consultant/Advisor:</b>	Rob Morel City One Associates, Inc. 2440 Broadway, Suite 245 New York, New York 10024
<b>Community Board:</b>	Queens, CB #5

Mr. Emily Marcus  
**New York City IDA / EDC**  
110 William St.  
New York, NY 10038

December 28, 2017

Dear Ms. Marcus:

Our Company specializes in the fabrication of custom architectural metals utilizing state-of-the-art machinery for their aluminum, stainless steel, copper and bronze metalwork projects.

Our business was started by 2 of my neighborhood high school friends in 1991 with less than 7 employees. After numerous expansions and one major relocation the company now has over 114 highly paid manufacturing employees. The company has been leasing approximately 65,000 ft.<sup>2</sup> in 2 buildings in Maspeth Queens. Our current lease allows us to acquire the larger of the 2 buildings. The company would greatly benefit by owning the roof over our heads; we could safely improve the property, install state-of-the-art production machinery and increase the efficiency of their factory with no landlord pulling the lease out from under us or raising our rent exorbitantly.

But Hi-Tech needs the assistance of the IDA to make this large capital expenditure cost effective. Our industry is extremely competitive as all our competitors have relocated to other locations taking advantage of cheaper real estate and operating costs, as well as larger facilities. One of our major competitors operates in Josloff, New Jersey other smaller fabricators are sprinkled throughout New Jersey and other states in the Midwest and in the South. We are operating at capacity and the only way to remain in New York City is to have site control and upgrade our machinery and our facility, so we can manufacture a higher end product more efficiently and expand into different lines of production. Without the help of the New York City IDA in securing a 25-year property tax abatement and the energy discounts, we could not go forward with this project.

One of those options is to relocate our facility to New Jersey, with the cost of real estate is 50% cheaper than Maspeth or the Bronx. We have looked at a 47,000 ft.<sup>2</sup> industrial manufacturing building which has heavy power in Ridgefield Park New Jersey for less than \$5 million. Another property in Linden, New Jersey with over 70,000 ft.<sup>2</sup> available could be purchased for \$6 million.

We cannot consider the purchase of our building nor the significant upgrade to our current facility without the assistance of the New York City IDA. We hope that the IDA will approve our project, so we can remain in Queens and

continue to expand operations in New York City. I thank you for considering our request.

Sincerely,

Guiliano Valentino, Partner

**Exhibit F**

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease Project for Hi-Tech Metals, Inc. and an affiliated real estate holding company

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, Hi-Tech Metals, Inc. (the “Applicant”) has entered into negotiations with officials of the Agency for the acquisition, renovation, furnishing and equipping of an existing industrial facility (the “Facility”), consisting of the acquisition, renovation, furnishing and equipping of an existing approximately 36,400 square foot building located on an approximately 37,000 square foot parcel of land located at 59-20 56<sup>th</sup> Avenue, Maspeth, New York, all for the use by the Applicant in its operations as a fabricator of steel and architectural metals, for lease to the Agency by a real estate holding company (the “Company”) to be formed and affiliated with the Applicant, and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having an approximate total project cost of approximately \$7,166,000 (the “Project”); and

WHEREAS, on April 10, 2018, the Agency adopted a resolution approving the taking of preliminary action with respect to providing financial assistance in the form of a straight-lease transaction; and

WHEREAS, in order to finance a portion of the costs of the Project, (i) TD Bank, N.A. (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the “Lender”) has agreed to enter into a loan arrangement with the Company pursuant to which the Lender will lend approximately \$3,102,275 to the Company, and the Agency and the Company will grant a mortgage on the Facility to the Lender (the “Lender Mortgage”), (ii) New York Business Development Corporation (“NYBDC”) has agreed to enter into a loan arrangement with the Company pursuant to which NYBDC will lend approximately \$2,481,820 to the Company, and the Agency and the Company will grant a second mortgage on the Facility to NYBDC (the “NYBDC Mortgage”), and (iii) the Lender will provide bridge financing to the Company with respect to the loan to be made to the Company by NYBDC, and the Agency and the Company will grant a second mortgage on the Facility to the Lender (the “Bridge Mortgage”); and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the “Original Mortgage Indebtedness”) (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicant may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages granted subsequent to the

Lender Mortgage; and therefore the Applicant may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements (“Refinancing Mortgage(s)”); and

WHEREAS, in order to provide financial assistance to the Applicant and the Company for the Project, the Agency intends to grant the Applicant and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and limited mortgage recording tax exemptions, all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

Section 2. The execution and delivery of a Company Lease Agreement from the Company leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Company (the “Lease Agreement”) (for sub-sublease to the Applicant), a Sales Tax Letter from the Agency to the Company and the Applicant, the Lender Mortgage, the NYBDC Mortgage, the Bridge Mortgage and the Refinancing Mortgages and the acceptance of a Guaranty Agreement from the Company, the Applicant and the Applicant’s and the Company’s owners and/or principals and affiliates in favor of the Agency (the “Guaranty Agreement”) (each document referenced in this Section 2 being, collectively, the “Agency Documents”), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 3. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims

thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 4. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 5. This Resolution shall take effect immediately.

ADOPTED: April 9, 2019

**Exhibit G**

### Project Summary

Meer Enterprises LLC d/b/a Unique Settings of New York (“USNY”), a New York limited liability company, Evash Management Consulting Inc. (“Evash”), a New York corporation, and 47-09 36th St., LLC, an affiliated New York limited liability company (collectively the “Company”) seek financial assistance in connection with the acquisition, renovation, furnishing and equipping of an existing approximately 20,000 square foot building on an approximately 10,000 square foot parcel of land located at 47-09 36th Street, Long Island City, New York 11101 (the “Facility”). The Facility will be owned by 47-09 36th St., LLC and will be operated by both USNY and Evash as a jewelry manufacturing facility.

#### Current Location

31-00 47<sup>th</sup> Avenue  
Long Island City, New York 11101

#### Project Location

47-09 36<sup>th</sup> Street  
Long Island City, New York 11101

### Actions Requested

- Authorizing Resolution for an Industrial Program transaction.

### Prior Action

- Inducement Resolution approved on February 12, 2019
- Adoption of a negative declaration for this project. The proposed project will not have a significant adverse effect on the environment.

### Anticipated Closing

May 2019

### Impact Summary

<b>Employment</b>	
Jobs at Application:	142
Jobs to be Created at Project Location (Year 3):	20
<b>Total Jobs (full-time equivalents)</b>	<b>162</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$26.39</b>
<b>Highest Wage/Lowest Wage</b>	<b>\$39.00/\$15.00</b>

<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV 25 years at 6.25%)	\$32,657,925
One-Time Impact of Renovation	\$131,433
<b>Total impact of operations and renovation</b>	<b>\$32,789,358</b>
<b>Additional benefit from jobs to be created</b>	<b>\$3,676,876</b>

<b>Estimated Cost of Benefits Requested: New York City</b>	
Building Tax Exemption (NPV, 25 years)	\$1,681,064
Land Tax Abatement (NPV, 25 years)	\$233,569
MRT Benefit	\$160,875
Sales Tax Exemption	\$69,750
Agency Financing Fee	(\$39,375)
<b>Total Value of Benefits provided by Agency</b>	<b>\$2,105,883</b>

## Meer Enterprises LLC

Available As-of-Right Benefits (ICAP)	\$1,305,404
Agency Benefits in Excess of As-of-Right Benefits	\$800,479

<b>Costs of Benefits Per Job</b>	
Estimated Total Cost of Benefits per Job	\$4,941
Estimated City Tax Revenue per Job	\$225,100

<b>Estimated Cost of Benefits Requested: New York State</b>	
MRT Benefit	\$86,625
Sales Tax Exemption	\$67,813
<b>Total Cost to NYS</b>	<b>\$154,438</b>

## Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$5,500,000	44%
New York Job Development Authority	\$4,400,000	36%
Equity	\$1,300,000	20%
<b>Total</b>	<b>\$11,200,000</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land and Building Acquisition	\$8,600,000	77%
Hard Costs	\$1,500,000	13%
Soft Costs	\$250,000	2%
Machinery and Equipment Purchases	\$500,000	5%
Closing Fees	\$350,000	3%
<b>Total</b>	<b>\$11,200,000</b>	<b>100%</b>

## Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$39,375	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$15,607
Total	\$75,625	\$15,607
<b>Total Fees</b>	<b>\$91,232</b>	

## Financing and Benefits Summary

The Company will receive a commercial mortgage loan from People's United Bank in the amount of \$9,900,000, and the New York State Jobs Development Authority will provide a second mortgage loan of approximately \$4,400,000 upon project completion to refinance a corresponding amount of the first mortgage loan from People's United Bank. The commercial mortgage loan from People's United Bank will charge interest-only for 18-months after closing, followed by a 10-year term with a 25-year amortization. It will bear interest at a floating rate equal to the Wall Street Journal Prime Rate (indicative rate of 5.5% as of February 28, 2019). It will be secured by a first

## **Meer Enterprises LLC**

mortgage on the Facility, first assignment of leases and rents generated by the Facility, and a first lien security interest in all furniture, fixtures and equipment owned by the Company at the Facility. The financial assistance proposed to be conferred by the Agency will consist of exemption of City and State mortgage recording taxes, exemption from City and State sales and use taxes and payments in lieu of City real property taxes. The debt service coverage ratio is anticipated to be 4.51x in 2022 after project stabilization.

### **Company Performance and Projections**

USNY is one of the largest US-based jewelry manufacturers, with over 4,000 active retail accounts across the country. Today, bridal jewelry makes up approximately 40% of a retail jewelry store's gross sales, and it also accounted for about 17% of the total \$31.4 billion in jewelry sales in the United States in 2016. Over the past ten years, USNY has quickly expanded from servicing the Tri-State area to gaining the trust of jewelers across America and mass merchants such as Costco, Brilliant Earth and many others. USNY's product line continues to grow, introducing new designs and products along with the latest trends. USNY offers independent jewelers a vast array of services and customization options, including the creation of brand new, unique custom designs. USNY has recently made significant investments in technology and new machinery and equipment- it recently purchased a Projet2500, which is a new 3-D printer printing capacity of over 200 pieces per day. USNY is also focusing on increasing its marketing efforts, training new telemarketing sales teams and hiring strategically placed representatives across the country. USNY's market share currently reaches over 60% of independent jewelers and major online retailers in the United States and continues to grow.

### **Applicant Summary**

USNY is a designer and manufacturer of bridal jewelry providing high-quality, competitively-priced diamonds and color stone jewels. Founded in 1999, USNY began as a casting housing servicing independent retailers in the Tri-State area. In 2006, USNY released its first national catalogue with thousands of new items and the promise to customize any item and manufacture it within 5 business days, a strategy that marked an unprecedented shift in the bridal jewelry industry. During the recession in 2009, USNY understood that retail operators had a much lower budget for inventory and expenses, so it became the first company in the industry to launch an alloy and Cubic Zirconia program -- "Sample Line" -- at a fraction of the cost of traditional inventory. Currently, USNY is one of the largest US-based jewelry manufacturers, with over 4,000 active retail accounts across the country. USNY's core philosophy is to produce the finest quality jewelry in the fastest time possible, with the best customer experience - - achieved through strategic alliances with major metal and stone suppliers, general purchasing power, and sophisticated software with complete data analysis. USNY has over 150 employees who dedicate themselves to the highest standards in the field and continue to grow and excel in customer service, analytics and marketing and manufacturing of its products.

### **Michael Dabakarov, CEO and Founder**

Mr. Dabakarov has been in the jewelry industry since 1984, specializing in fine jewelry manufactured in gold and platinum and studded with diamonds and precious/semi-precious stones. From an early age he was involved in design, customer service and advertising at his family's jewelry business, Luvente. Eventually, he wanted to expand the business, which was originally focused on wholesale to independent jewelers across the United States, Today the Luvente brand has more than 400 active luxury independent retailers across the United States. In 2016, the opportunity arose to acquire one of the most prestigious jewelry manufacturers in the United States -- Unique Settings of New York. To date, the business has been very successful, with sales growth of 10 % year over year. With its planned building acquisition in Long Island City, USNY intends to develop one of the most technologically-advanced, environmentally-friendly and state of the art jewelry manufacturing facilities in the world.

### **Employee Benefits**

Benefits include on the job training, medical, dental and vision insurance, commuter and parking benefits, paid vacation and personal time, paid leave for child bonding and annual opportunities for promotions, raises, and bonuses.

## Meer Enterprises LLC

### Recapture

Pursuant to UTEP, all benefits are subject to recapture for a 10-year period.

### Due Diligence

The Agency conducted a background investigation of the Company and its principals and found no derogatory information.

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	Compliant
<b>Bank Account:</b>	Empire National Bank
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Relationships are reported to be satisfactory.
<b>Union Check:</b>	Not Applicable
<b>Vendex Check:</b>	No derogatory information was found.
<b>Attorney:</b>	Robert S. Altman Robert S. Altman, Esq., PLLC 27 Whitehall Street, 4 <sup>th</sup> Floor New York, New York 10004
<b>Accountant:</b>	Hermant Prajapati Prajapati Advisors LLP 7600 Jericho Tpke #400 Woodbury, New York 11797
<b>Consultant/Advisor:</b>	Sunil Aggarwal ThinkForward Financial Group 27 Whitehall Street, 4 <sup>th</sup> Floor New York, New York 10004
<b>Community Board:</b>	Queens, CB 2



December 20, 2018

NYC Industrial Development Agency  
110 William Street  
New York, NY 10038

**RE: 47-09 36th St., LLC (*Meer Enterprises LLC* , dba *Unique Settings of New York*)  
Application**

Dear Board Members:

*Meer Enterprises, LLC* dba *Unique Settings of New York* (“USNY” or the “Company” , on behalf of *47-09 36th St., LLC* (the Applicant), is pleased to submit this application and letter to the New York City Industrial Development Agency, requesting financial assistance for the Company’s new 20,000 sf manufacturing facility in Long Island City.

Unique Settings of New York is a US-based designer and manufacturer of bridal jewelry. USNY provides local jewelers with high-quality, competitively-priced diamonds and color stones jewelry. USNY is one of the largest jewelry manufacturers in the United States and all production is 100% in-house, except for raw materials. Over the past ten years, USNY has quickly expanded from servicing the Tri-State area to gaining the trust of jewelers across America and mass merchants such as Costco, Brilliant Earth and many others, offering an exceptional product and reliable service. The company has recently made significant investments in technology and new machinery and equipment. USNY’s entire product line is manufactured in New York facilities.

The company has over 150 employees who dedicate themselves to the highest standards in the field and continue to grow and excel in customer service, analytics and marketing and manufacturing of its products. Unique Settings is committed not only to manufacturing a quality product, but in investing in the local community, including hiring local talent, creating a safe and rewarding work environment and encouraging educational opportunities. USNY’s focus is not only to excel as a world leader in jewelry manufacturing, but in being one of the highest-ranking companies for employee satisfaction, ensuring that its diligent and hard-working staff is accorded the best health and safety standards possible, and that the company operates in the most environmentally-friendly standards available.

Unique Settings New York

31-00 47th Ave. 2nd Fl. Long Island City, NY 11101 T. 718-247-4500 F. 718-425-9953 [www.unique-settings.com](http://www.unique-settings.com)



For over ten years, the Company has been operating out of the Falchi Building in Long Island City (31-00 47th Avenue). The Company's existing building lease is set to expire shortly and lease rates in the area have become unaffordable for the Company. Thus, the Company has been exploring acquisition opportunities, in both New York and New Jersey, and is seeking a facility that will enable the Company to create the most technologically advanced, green jewelry manufacturing facility in the United States, while reducing occupancy costs.

There are several locations in New Jersey that are offering significant incentive packages, including in Jersey City and Bergen County. However, it is the Company's preference to remain in New York City, where it has deep roots. The Company has identified a facility in Long Island City that it wishes to acquire and renovate. The property is located at 47-09 36th Street in Long Island City, and is a two-story, 20,000 sf building that is currently a skeleton. The project would enable the Company to increase production by creating a more efficient manufacturing cycle and floor plan, and reduce its carbon footprint by investing in clean technology and the latest machinery for jewelry manufacturing, while reducing long-term occupancy costs.

The project is costly, with an acquisition cost of \$8.6 million, and renovation and equipment costs of over \$2 million. The company is seeking incentives that will lower both capital and operating costs, making occupancy costs more competitive with other competing locations. The Company is seeking benefits in the form of land tax abatement, building tax abatement, and waiver of mortgage recording taxes and exemption on sales taxes for construction materials.

We look forward to working with NYCIDA on this project. If you have any questions or additional requests, please do not hesitate to ask.

Best Regards,

Daniel Dabkarov  
Chief Executive Officer

**Exhibit H**

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease Project for Meer Enterprises LLC d/b/a Unique Settings of New York (“Unique Settings”) and Evash Management Consulting Inc. (“Evash”), and their affiliate, 47-09 36<sup>th</sup> St., LLC

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, Meer Enterprises LLC d/b/a Unique Settings of New York (“Unique Settings”), and Evash Management Consulting Inc. (“Evash”) (collectively, the “Applicants”) have entered into negotiations with officials of the Agency for the acquisition, renovation, furnishing and equipping of an industrial facility (the “Facility”), consisting of the acquisition of an approximately 20,000 square foot building on an approximately 10,000 square foot parcel of land located at 47-09 36<sup>th</sup> Street, Long Island City, New York, the construction of renovations thereto, and the furnishing and equipping thereof, all to be operated by the Applicants in their operations for jewelry manufacturing, for lease to the Agency by 47-09 36<sup>th</sup> St., LLC (or other affiliated real estate holding company, the “Company”), and subleased by the Agency to the Company for subsequent sub-sublease in whole to one or both of the Applicants, and having an approximate total project cost of approximately \$11,200,000 (the “Project”); and

WHEREAS, on February 12, 2019, the Agency adopted a resolution approving the taking of preliminary action with respect to providing financial assistance in the form of a straight-lease transaction; and

WHEREAS, in order to finance a portion of the costs of the Project, (i) People’s United Bank (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the “Lender”) has agreed to enter into a loan arrangement with the Company pursuant to which the Lender will lend approximately \$9,900,000 to the Company, and the Agency and the Company will grant a mortgage on the Facility to the Lender (the “Lender Mortgage”), (ii) Jobs Development Authority (“JDA”) has agreed to enter into a loan arrangement with the Company pursuant to which JDA will lend approximately \$4,400,000 to the Company upon completion of the Project, and the Agency and the Company will grant a second mortgage on the Facility to JDA (the “JDA Mortgage”), and (iii) the Lender will provide bridge financing to the Company with respect to the loan to be made to the Company by JDA, and the Agency and the Company will grant a second mortgage on the Facility to the Lender (the “Bridge Mortgage”); and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the “Original Mortgage Indebtedness”) (whether such refinancing is in

an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicants may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages granted subsequent to the Lender Mortgage; and therefore the Applicants may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements (“Refinancing Mortgage(s)”); and

WHEREAS, in order to provide financial assistance to the Applicants and the Company for the Project, the Agency intends to grant the Applicants and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and limited mortgage recording tax exemptions, all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

Section 2. The execution and delivery of a Company Lease Agreement from the Company leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Company (the “Lease Agreement”) (for sub-sublease to one or both of the Applicants), a Sales Tax Letter from the Agency to the Company and one or both of the Applicants, the Lender Mortgage, the JDA Mortgage, the Bridge Mortgage and the Refinancing Mortgages and the acceptance of a Guaranty Agreement from the Company, the Applicants and the Company’s owners and/or principals and affiliates in favor of the Agency (the “Guaranty Agreement”) (each document referenced in this Section 2 being, collectively, the “Agency Documents”), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 3. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of

any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 4. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 5. This Resolution shall take effect immediately.

ADOPTED: April 9, 2019

**Exhibit I**

### **Project Summary**

The Brooklyn Union Gas Company d/b/a National Grid NY (the “Company”) entered into an Industrial Incentive Straight Lease transaction (the “Agreement”) with the New York City Industrial Development Agency (the “Agency”) on May 23, 2014. The Company plans to install, maintain and operate anaerobic digester gas purification equipment (the “Equipment”) at the Newtown Creek Wastewater Treatment Plant (the “Treatment Plant”) in Greenpoint, Brooklyn (the “Project”).

The Equipment captures methane currently released into the atmosphere as a byproduct of the wastewater treatment process, and generates pipe-line grade gas for distribution to nearby homes. The Project will reduce the amount of CO<sub>2</sub> emissions by about 16,000 tons annually, the equivalent of removing approximately 3,000 cars from the road. In addition, the renewable gas generated is expected to serve approximately 2,500 homes annually.

Pursuant to the transactional documents, the Company was required to complete construction prior to May 23, 2017 (the “Completion Date”). After previous delays which required a redesign and relocation of the Equipment to another portion of the Treatment Plant, an extension of the Completion Date to December 31, 2018 was approved by the Board on July 25, 2017. Due to additional delays including but not limited to obtaining the necessary FDNY approvals and coordinating with the Department of Environmental Protection, the Company requested an additional extension of the Completion Date to February 29, 2020. The Company provided a construction schedule to Agency staff, representing that construction and installation work is expected to be completed by August 2019, with additional time needed to complete the system start-up, commissioning, and regulatory approval process.

The Company also requested Agency approval to amend the Agreement to extend its Expiration Date in order to preserve the five-year PILOT benefit term because the Company is not entitled to the PILOT benefits until after construction completion. Accordingly, it is proposed that the Agency approve an extension of the Expiration Date of the Agreement to the earlier of June 30, 2026 and the day immediately preceding the fifth (5<sup>th</sup>) anniversary of the PILOT Commencement Date. The maximum allowable PILOT benefit amount for this project will remain at \$3.18 million (NPV) in real property tax savings, based on a discount rate of 6.25% per annum.

### **Project Locations**

371 Greenpoint Avenue, Brooklyn, New York 11222  
327 Greenpoint Avenue, Brooklyn, New York 11222

### **Action Requested**

Authorize Agency staff to amend the project documents as necessary to (1) extend the Project Completion Date to February 29, 2020; and (2) amend the Expiration Date of the Agreement to the earlier of June 30, 2026 and the day immediately preceding the fifth (5<sup>th</sup>) anniversary of the PILOT Commencement Date.

### **Prior Actions**

- Inducement and Authorization Resolution approved on June 12, 2012
- Post-Closing Resolution was approved on July 25, 2017 to extend the Completion Date to December 31, 2018

### **Fees Paid for Amendment**

A Post-Closing fee of \$2,500 was assessed for the amendment.

### **Due Diligence**

A review of Project's compliance requirements with its project documents revealed no outstanding issues other than the missed Project Completion Date of December 31, 2018.

### **Anticipated Transaction Date**

April 2019

**Exhibit J**

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF  
AGREEMENTS IN CONNECTION WITH THE BROOKLYN UNION GAS  
COMPANY PROJECT**

**WHEREAS**, the New York City Industrial Development Agency, New York, New York (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, on May 23, 2014 (the “Closing Date”), the Agency entered into a straight-lease transaction with Brooklyn Union Gas Company (d/b/a National Grid NY) (the “Lessee”) in connection with the installation, maintenance and operation of anaerobic gas purification equipment at the Newtown Creek Wastewater Treatment Plant located on an approximately 6,000 square foot parcel of land located at 371 Greenpoint Avenue, in Brooklyn, New York (collectively, the “Project”) and the Agency entered into various agreements, including an Agency Lease Agreement, in connection with such Project (collectively, the “Initial Project Documents”); and

**WHEREAS**, on October 20, 2017, the Agency and Lessee amended the Initial Project Documents to (i) provide that the Lessee complete the Project by May 23, 2017 (the “Project Completion Date”), and (ii) include an additional premises located at Block 2525, Lot 1 on the Tax Map for the Borough of Brooklyn, located at 327 Greenpoint Avenue, in Brooklyn, New York (as so amended, the “Project Documents”); and

**WHEREAS**, the Lessee has requested that the Agency amend the Project Documents to extend (i) the Project Completion Date to February 29, 2020, and (ii) the expiration date of the Agency Lease Agreement to the earlier of (a) June 30, 2026, or (b) the day immediately preceding the fifth (5<sup>th</sup>) anniversary of the PILOT Commencement Date (as such terms are defined in the Agency Lease Agreement) (collectively, the “Extensions”);

**NOW, THEREFORE, THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The Agency and the Lessee may enter into certain amendments and/or supplements to the Project Documents to reflect the Extensions (collectively, the “Amendments”). The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director, or General Counsel of the Agency are hereby authorized and directed to execute, acknowledge and deliver any such Amendments on behalf of the Agency in such form and substance as may be acceptable to the Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director or General Counsel of the Agency. The execution and delivery of such Amendments shall be conclusive evidence of due authorization and approval of such Amendments in their final form.

**Section 2.** All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution, the Amendments, any instruments or any documents related thereto and authorized hereby (collectively, the “Agency Documents”) shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the officers thereof by the provisions of this Resolution or any of the Agency Documents shall be exercised or performed by the Agency or such officers, or by officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any Agency Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in the individual capacity thereof and neither the members nor the directors of the Agency nor any officer executing

any Agency Document or entering into or accepting any such instruments relating to the Facility shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

**Section 3.** The Chairperson, the Vice Chairperson, the Secretary, the Assistant Secretary, the Executive Director and the Deputy Executive Director and the General Counsel of the Agency, and any member of the Agency, are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents or agreements and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Agency Documents.

**Section 4.** This Resolution shall take effect immediately.

**ADOPTED:** April 9, 2019

**Exhibit K**

## **Project Summary**

On January 1, 2007 the Agency issued \$40,000,000 in Variable Rate Demand Industrial Development Empowerment Zone Revenue Bonds, Series 2007 (the "Bonds") on behalf of Tiago Holdings, LLC (the "Company") to provide funds for a portion of the costs of the construction, furnishing and equipping of an approximately 632,248 square foot building to be used as a parking a garage (the "Facility"), located upon an approximately 80,000 square foot parcel of land located in the East Harlem neighborhood of Manhattan. A portion of the proceeds of the Bonds were also used for cost of the issuance. The Bonds were secured by a letter of credit (the "Original LOC") issued by ING Bank N.V. (the "Bank"), confirmed by a confirming letter of credit issued by Lloyds TSB Bank plc.

In January 2019, the Bonds were subject to mandatory tender for purchase by the Bank upon the expiration of the Original LOC. The Bonds are currently held by the Bank as "Bank Bonds" in accordance with Section 2.08(b)(6) of the Indenture of Trust, dated as of January 1, 2007 (the "Indenture") and the Building Costs Reimbursement Agreement, dated as of January 31, 2007.

The Company intends to remarket the Bank Bonds pursuant to Section 2.08(a) of the Indenture on or before April 30, 2019 (the "Remarketing") and, in connection therewith, will provide a substitute letter of credit, which they expect to be issued by TD Bank, N.A..

In connection with the Remarketing and the issuance of the substitute letter of credit, the Indenture and the Installment Sale Agreement and Assignment of Lease will need to be amended in order to allow for the delivery of a substitute letter of credit after the expiration of the previous letter of credit and to reflect that no confirming letter of credit will be in effect (the "Amendments").

The Company requests Agency's approval for the intended Remarketing and Amendments.

## **Project Location**

Street Address	Block #	Lot #
517 East 116 Street New York, NY	1715	22

## **Action Requested**

Authorize Agency staff to amend the project documents as necessary to allow for the Remarketing and Amendments.

## **Prior Actions**

- Inducement Resolution approved on March 14, 2006
- Authorization Resolution approved on September 12, 2006

**Fees Paid for Amendment**

A Post-Closing fee of \$2,500 was assessed for the amendment.

**Due Diligence**

A review of Project's compliance requirements with its project documents revealed no outstanding issues.

**Anticipated Transaction Date**

April 2019

**Exhibit L**

RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF DOCUMENTS AND AUTHORIZING CERTAIN MATTERS IN CONNECTION WITH THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT EMPOWERMENT ZONE REVENUE BONDS, SERIES 2007 (TIAGO HOLDINGS, LLC PROJECT)

WHEREAS, the New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, on January 31, 2007, the Agency issued its Variable Rate Demand Industrial Development Empowerment Zone Revenue Bonds, Series 2007 (Tiago Holdings, LLC Project) in the original aggregate principal amount of \$40,000,000 (the “Bonds”) pursuant to an Indenture of Trust, dated as of January 1, 2007, between the Agency and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, contemporaneously with the issuance the Bonds, the Agency entered into a transaction to provide Tiago Holdings, LLC (the “Company”) financial assistance for the financing of the construction of a commercial project consisting of the construction, furnishing and equipping of an approximately 632,248 square foot building to be used as parking garage (the “Facility”), located upon an approximately 80,000 square foot parcel of land located on Block 1715 and Lots 22, 38, 42, 43, 45, 7 and 10 located to the east of Pleasant Avenue and generally bounded by East 116th, Franklin D. Roosevelt Drive and East 117th Streets, New York, New York (the “Project”); and

WHEREAS, in connection with the Project, (i) the Company leased the Facility to the Agency pursuant to a certain Company Lease Agreement, dated as of January 1, 2007, between the Company and the Agency (the “Company Lease”), and (ii) the Agency sold and assigned its leasehold interest in the Facility to the Company pursuant to an Installment Sale Agreement and Assignment of Lease, dated as of January 1, 2007, between the Agency and the Company (the “Installment Sale Agreement”); and

WHEREAS, pursuant to a Building Costs Reimbursement Agreement, dated as of January 31, 2007, between the Company and the Bank as referred to below, an irrevocable direct pay letter of credit (the “Letter of Credit”) was issued by ING Bank, N.V., with corporate seat in Amsterdam, The Netherlands, acting through its Curacao Branch (the “Bank”), in favor of the Trustee for the benefit of the holders of the Bonds to secure the payment of the principal or purchase price of, and interest on, the Bonds; and

WHEREAS, the obligations of the Bank under the Letter of Credit were confirmed by Lloyds TSB Bank plc, acting through its New York Branch, pursuant to a Confirming Letter of Credit (as defined in the Indenture); and

WHEREAS, on January 31, 2019, the Letter of Credit and the Confirming Letter of Credit expired and were not extended or replaced in accordance with the provisions of the Indenture; and

WHEREAS, as a result of such expiration of the Letter of Credit and the Confirming Letter of Credit, the Bonds were subject to mandatory tender under the Indenture and are now held by the Bank as Bank Bonds in accordance with the provisions of the Indenture; and

WHEREAS, the Company now desires to deliver a Substitute Letter of Credit in accordance with (to the extent possible) the terms of the Indenture and to cause the Bonds to be remarketed; and

WHEREAS, upon such remarketing, the Bonds will no longer be Bank Bonds and will resume bearing interest at Weekly Interest Rate in accordance with the terms of the Indenture; and

WHEREAS, the Company has requested that the Agency consent to (i) the remarketing of the Bonds after the expiration of the Letter of Credit and the Confirming Letter of Credit, (ii) the amendment of the Indenture in order to permit the effectuation of a Substitute Letter of Credit (as defined in the Indenture) by TD Bank, N.A. or another bank to be selected by the Company (the "New Bank") after the expiration of the Letter of Credit, and (iii) the amendment of the Indenture and the Installment Sale Agreement in order to reflect that no Confirming Letter of Credit will be in effect during the term of such Substitute Letter of Credit so long as such New Bank qualifies as a "bank" for purposes of Section 3(a)(2) of the Securities Act of 1933, as amended, and that, as result, the Substitute Letter of Credit will be drawn on in all circumstances; and

WHEREAS, the Agency deems it advisable to authorize the execution and delivery of the Amendment Documents, the recording of the Amendment Documents, as necessary, and the execution of any documents required by or related to the Amendment Documents (collectively, the "Agency Documents").

NOW, THEREFORE, BE IT RESOLVED BY THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS

Section 1. The Agency hereby authorizes the execution and delivery of the Agency Documents, each being substantially in the form approved by the Chairman, the Vice Chairperson, the Executive Director, the Deputy Executive Director or General Counsel of the Agency. The Chairman, the Vice Chairperson, the Executive Director, the Deputy Executive Director and the General Counsel of the Agency are each hereby authorized to approve, execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such Agency Document by one of said officers shall be conclusive evidence of due authorization and

approval. The Agency further recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications or the execution of additional documents which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications or execution of additional documents shall be evidenced by a certificate of determination of an Agency officer.

Section 2. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any power or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or any of the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 3. The Chairman, the Vice Chairperson, the Executive Director, the Deputy Executive Director and the General Counsel of the Agency, and any member of the Agency, are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, agreements, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and any of the instruments, agreements or other documents authorized hereby.

Section 4. This Resolution shall take effect immediately.

ADOPTED: April 9, 2019

**Exhibit M**

## **Project Summary**

The *Career Pathways: One City, Working Together* report published by the Jobs for New Yorkers Task Force convened by Mayor Bill de Blasio outlines a workforce development strategy to help bridge the gap between businesses and workers. The industrial and manufacturing sector is undergoing a transformation in New York City, as firms leverage advanced technologies to create new products, improve their processes, and meet the demands of a growing consumer base. However, finding skilled employees has been cited as the biggest challenge for growing companies.

The creation of Industrial and Transportation Career Center (“ITCC”) satellites in Industrial Business Zones was an important element of this overall strategy. Built on the success of the Jamaica Workforce1 ITCC, which connected more than 2,500 New Yorkers to full-time jobs in 2013 with 252 businesses, the ITCC satellites have helped to increase the overall annual output of the system to almost 3,500 jobs in 2017 with 346 businesses. The satellite centers have contributed an additional 40% increase in capacity to serve businesses and a 37% increase in capacity to serve individuals.

Services provided to businesses and residents in the neighborhoods around the satellite centers increased from 69 businesses and 800 residents in 2013 to 154 businesses and 3,000 residents in 2017, an increase of 123% and 275% respectively.

On June 9<sup>th</sup> 2015 the Corporation approved a services contract (the “Contract”) on a sole source basis with the Workforce Development Corporation (“WDC”) in the amount of \$4.4 million for a three-year term from FY16 to FY18 (the “Initial Term”). On July 24, 2018, the Corporation received an extension of this contract for an additional \$4.4 million for an additional three-year term from FY19 to FY 21 (the “Extended Term”), bringing the total contract value for six years to \$8.8 million.

The WDC is an independent not-for-profit corporation created by the City of New York (“City”) specifically for the purpose of assisting the City in developing and funding workforce initiatives and works closely with the City’s Department of Small Business Services (“SBS”) to contribute to the economic vitality of the City by promoting workforce development and job creation through public and private partnerships. Such sole source procurement is in accordance with the Corporation’s procurement policy because WDC is uniquely positioned to provide the services based on its experience in running the Jamaica Workforce1 ITCC and other career centers across the City. Pursuant to the Contract, WDC procured, through one or more subcontractors, the following services:

- Launch and operate the four ITCC satellite locations through the end of fiscal year 2021.
- Serve the hiring needs of industrial businesses, with an emphasis on smaller manufacturing businesses.
- Provide a neighborhood-based approach for sourcing and providing training to prospective employees.
- Connect prospective employees to quality industrial and manufacturing jobs.
- Monitor the success and efficacy of the ITCC satellites using 3 key metrics—the number of jobs connected, the number of residents served, and the number of businesses served—and provide updates annually and as requested.

DB Grant Associates (“DB Grant”) and Southwest Brooklyn Industrial Development Corp (“SBIDC”) were selected as subcontractors to operate the ITCC satellites.

Due to delays in subcontracting and the opening of the ITCC satellites during the Initial Term, annualized costs were increased (primarily in staffing) and annual goals were prorated in order to achieve the initial three-year programmatic goals in a smaller amount of time. As a result, during the Initial Term, WDC only expended \$3,542,926 of the \$4,400,000 allocated to the Initial Term, yielding \$857,074 to be carried over from the Initial Term to the Extended Term, specifically to FY19. Spending is scheduled to decrease by FY20 as goals are set across a full three-

## WORKFORCE1 INDUSTRIAL AND TRANSPORTATION CAREER CENTER SATELLITES

year period, and therefore less staff is needed. Additionally, efficiency savings will be realized via cross-allocation of management and support staff costs during FY20-21.

The Corporation seeks approval to amend the Contract to update the payment schedule to account for the carry-over of \$857,074 from the Initial Term to FY19 of the Extended Term. The overall contract value will remain the same. The amendment of the Contract will assist the Corporation in fulfilling its statutory purposes of promoting, developing, encouraging and assisting industrial, manufacturing, commercial and research facilities and thereby advancing the job opportunities and economic welfare of the people of the City of New York. With all four locations open and fully operational, WDC will continue to increase the amount of quality jobs in the system while implementing new training and community outreach initiatives.

### **Project Location**

Brooklyn ITCC satellite – Brooklyn Army Terminal – 140 58<sup>th</sup> Street, Brooklyn NY 11220

Staten Island ITCC satellite – North Shore Staten Island – 1972 Richmond Terrace, Staten Island NY 10302

Queens ITCC satellite – Long Island City – 47-10 Austell Place, Queens NY 11101

Bronx ITCC satellite – Port Morris - 14 Bruckner Boulevard, Bronx NY 10454

### **Services being Provided**

WDC, through subcontractors, provides the following services:

- Operate 4 ITCC satellites in fiscal year 2019, through the end of fiscal year 2021.
  - <sup>1</sup>\$5,257,074
    - Approximately \$3,057,074 in personnel costs, including: Career Advisors for career development services, Account Managers for job matching services, and Center Management & Support staff for operations and administrative functions
    - Approximately \$1,600,000 in non-personnel costs
    - Approximately \$600,000 in facility costs
- Serve the hiring needs of industrial businesses, with an emphasis on smaller manufacturing businesses.
- Provide a neighborhood-based approach for sourcing and providing training to prospective employees.
- Connect prospective employees to quality industrial and manufacturing jobs.
- Monitor the success and efficacy of the ITCC satellites using 3 key metrics—the number of jobs connected, the number of residents served, and the number of businesses served—and provide updates annually and as requested.
  - 200-250 job connections per satellite site
  - 800-1000 residents serviced per satellite site
  - 500 total businesses served System wide

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<sup>1</sup> This includes \$857,074 originally allocated to the Initial Term, and \$1,460,000 already allocated to FY19 of the Extended Term, for a sum of up to \$2,317,074 for FY19; FY20 remains at \$1,470,000, and FY21 remains at \$1,470,000.

## WORKFORCE1 INDUSTRIAL AND TRANSPORTATION CAREER CENTER SATELLITES

### **Actions Requested**

Authorization of the execution, delivery and performance by the Agency of an amendment to the Contract with WDC, on a sole source basis, on the terms and for the purposes as described herein.

### **Contract Value**

Initial Term: \$3,542,926 for FY16-FY18

Extended Term: Up to \$2,317,074<sup>2</sup> for FY19, \$1,470,000 for FY20, and \$1,470,000 for FY21.

Total: \$8,800,000

### **Contract Date**

July 2018 to June 2021

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<sup>2</sup> This includes \$857,074 originally allocated to the Initial Term, and \$1,460,000 already allocated to FY19 of the Extended Term, for a sum of up to \$2,317,074 for FY19; FY20 remains at \$1,470,000, and FY21 remains at \$1,470,000.